

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES  
INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS  
WITH FOREIGN POSTAL OPERATORS 1

HONGKONG POST – UNITED STATES POSTAL SERVICE  
BILATERAL AGREEMENT (MC2010-35)  
NEGOTIATED SERVICE AGREEMENT

Docket No.  
R2014-4

COMPETITIVE PRODUCT PRICES  
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH  
FOREIGN POSTAL OPERATORS 1

HONGKONG POST – UNITED STATES POSTAL SERVICE  
BILATERAL AGREEMENT (MC2010-34)  
NEGOTIATED SERVICE AGREEMENT

Docket No.  
CP2014-21

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATION  
TWO TO THE HONGKONG POST – UNITED STATES POSTAL SERVICE  
BILATERAL AGREEMENT**  
(February 11, 2015)

The agreement that is the subject of Docket Nos. R2014-4 and CP2014-21, a bilateral agreement with Hongkong Post (“Hongkong Post Agreement”), is scheduled to expire on March 31, 2015.<sup>1</sup>

Hongkong Post and the United States Postal Service (“Postal Service”) have signed the attached Modification Two that would extend the Hongkong Post Agreement

<sup>1</sup> PRC Order No. 2286, Order Approving Modification to Existing Agreement, Docket No. R2014-4, December 12, 2014, at 2; PRC Order No. 2285, Order Approving Modification to Existing Agreement, Docket No. CP2014-21, December 12, 2014, at 2,

to June 30, 2015, which corresponds with the accounting practice of invoicing quarterly, rather than mid-quarter, for the Hongkong Post Agreement.

The modification also amends paragraph 3 in the “*Receptacle Preparation Requirements*” in Annex 2, and replaces Annex 5 to make the routing details mandatory.

Therefore, the Postal Service respectfully requests that the Commission continue to list the Hongkong Post Agreement on the Mail Classification Schedule, according to the terms set forth in the amendment filed today.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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Chief Counsel  
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Corporate and Postal Business Law Section

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February 11, 2015

**MODIFICATION TWO TO THE  
HONGKONG POST - UNITED STATES POSTAL SERVICE  
BILATERAL AGREEMENT**

This Modification amends the Hongkong Post – United States Postal Service Bilateral Agreement ("Agreement") between the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the Government of the United States, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260, and Hongkong Post ("Hongkong Post"), a government branch of the Hong Kong Special Administrative Region of People's Republic of China, and having a place of business at 4/F Hongkong Post Headquarters 2 Connaught Place, Central, Hong Kong, signed by the USPS on December 23, 2013, and by Hongkong Post on December 23, 2013, and amended by Modification One, signed by the USPS on November 24, 2014, and by Hongkong Post on December 3, 2014. The USPS and Hongkong Post may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make three changes to the Agreement.

The first change is to replace the sentence in paragraph 2 of Article 22 of the Agreement that reads "The Agreement will remain in effect for one year after the Effective Date unless terminated sooner pursuant to Article 8." with the following replacement text:

The Agreement will remain in effect until June 30, 2015 unless terminated sooner pursuant to Article 8.

The second change is to replace paragraph 3 in the "*Receptacle Preparation Requirements*" in Annex 2 with the following:

3. **Receptacle Routing.** To expedite the processing and delivery of these packages, the sending post must present receptacles to corresponding Offices of Exchange (OEs) per the routings outlined in Annex 5.

The third change is to replace Annex 5 of the Agreement so that it states the following:

**Annex 5 – Mandatory Office of Exchange Routing Details**

**USPS**

The following table illustrates the appropriate U.S. point of entry based on the first digit of the destination address postal code. A more detailed table based on the first three digits can be provided upon request.

| <b>First Digit of Postal Code</b> | <b>Desired U.S. Point of Entry</b> |
|-----------------------------------|------------------------------------|
| 0-6                               | JFK - New York                     |
| 7-9                               | SFO – San Francisco                |

All other terms and conditions of the Agreement shall remain in force.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals from, and/or non-objection by (hereinafter "Conditions Precedent for this Modification") one or more internal and external bodies that have oversight responsibilities. Conditions Precedent for this Modification may include but are not limited to: approvals or, if applicable, non-objection, from USPS management, the USPS executive committee, the Governors of the USPS, and the U.S. Postal Regulatory Commission. The Parties acknowledge that this Modification might not be approved by such bodies. Until such time that all Conditions Precedent for this Modification are fulfilled that are necessary to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS or Hongkong Post and no benefit or rights granted through this

Modification shall inure to either Party unless and until the Conditions Precedent for this Modification have been fulfilled.

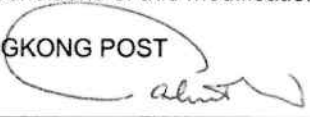
In the event that the Conditions Precedent for this Modification are not fulfilled, the USPS and Hongkong Post shall have no liability, which shall include no obligation to pay costs associated with any action taken by Hongkong Post prior to the fulfillment of Conditions Precedent for this Modification. Further, in the event of the failure of any Condition Precedent for this Modification, neither Party shall be held liable for any damages including, without limitation, the following: actual damages; special damages; indirect damages; incidental damages; punitive damages; consequential damages; or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any cost incurred by either Party attributable to such non-approval such as attorney's fees.

Hongkong Post acknowledges that as part of securing approval of this Agreement and in other subsequent regulatory filings, this Modification and supporting documentation will be filed with the U.S. Postal Regulatory Commission ("Commission") in docketed proceedings (R2014-4 and CP2014-21). Hongkong Post also acknowledges that the USPS shall furnish a copy of this Modification to the U.S. Department of State. Hongkong Post authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. Hongkong Post further understands that any unredacted portion of this Modification or supporting information may be posted on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this instrument (including revenue, cost or volume data) in other Commission dockets, including Commission docket numbers ACR2014 and ACR2015. Hongkong Post has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22, on the Commission's website, <http://www.prc.gov/Docs/63/63467/Order225.pdf>. At Hongkong Post's request, the USPS will notify Hongkong Post of the docket number of the Commission proceeding, if any, used in connection with the filing of this Modification.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Modification.


HONGKONG POST

  
Signature

Director (External Affairs)  
Title

6 Feb 2015  
(Date)

UNITED STATES POSTAL SERVICE

  
Signature

Giselle Valera  
Managing Director, Global Business and  
Vice President

February 9, 2015  
(Date)